



Town of Concord
Finance Committee
22 Monument Square
P.O. Box 535
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To: Christopher Whelan, Town Manager

From: John Hutchins, Chair, Guidelines Subcommittee, Concord Finance Committee

JK

Copy To: Carmin Reiss, Chair, Concord Board of Selectmen

Date: August 3, 2012

Re: Annual Budget Data Request

The Guidelines Subcommittee requests information to assist us as we work toward preparing Town budget guidelines for FY14. We are most interested in hearing what you think we need to know as we work toward setting the guidelines.

As you know, this year's budget guidelines setting process will unfold at the same time as construction of the new high school building project is expected to begin, as the Town and the Regional School District continue to analyze how best to meet their obligations regarding their "OPEB" (other post-employment benefits) liabilities, and amidst national elections and fiscal and macroeconomic uncertainties, with unknown consequences for state and local budgets, interest rates, and the regional economy. As each of these has important consequences for Concord's taxpayers, we expect that the Guidelines Committee will consider both short- and longer term budget and property tax consequences carefully. We greatly appreciate your past collaboration with us and thank you in advance for your efforts this year.

Following our practice of the last several years, we prefer to have a general conversation with you concerning the larger picture, rather than dwell on specific details. We do not expect you to present a detailed preliminary budget in October. In the past, the Guidelines Subcommittee has asked you to reflect on the past ten years and provide your vision for the Town over the next five to ten years, and then focus on the issues and priorities for FY14. This year we would also appreciate any comments and insights you can provide that may assist the Finance Committee in preparing its projection of changes in the tax levy on the citizens of Concord over the next five years.

More specifically, we hope you will address the following:

- (1) What is the status of current Town programs and services? Are any seriously under-funded now? What significant changes have occurred in the quality or scope of services to citizens over the past 2-3 years? What services may still need to be cut or reduced in FY14 to meet budget constraints? What modifications are

planned, if any, in FY14 for existing programs to make way for new programs? Are there any programs that are duplicative or can be provided in a more cost-efficient manner? Should any changes in the fee structures or rates for town services or programs be considered?

- (2) What new Town programs, mandates, or initiatives, including Comprehensive Long Range Plan action items, are expected that will have a major impact on the Town's FY14 budget? What initiatives do you foresee on the horizon over the next five years? What changes in programs, service levels, non-tax-levy resources and cost escalators do you foresee over that period?
- (3) What is the status of the Town's FY13 budget? Are any problems emerging that may affect development of the FY14 budget? Do you have plans for, or see risks to, the long-range stability of the capital or operating budgets, looking ahead over the next five years? What is the outlook for the Joint Accounts over the next five years? How might decisions regarding possible use or development of Town-owned land as a site for a future school transportation service center affect the Town' land use and inventory and any costs associated with the same?
- (4) Is the current level of capital expenditures contemplated in the five year capital budget sufficient to maintain Concord's capital assets? What is the level of deferred maintenance? What is the projected level of capital expenditures over the next five years? What types of capital requests are being deferred and are any of them priority concerns?
- (5) With regard to Town-employee relations, what is the status of existing labor contracts and collective bargaining initiatives? Please provide a summary of the most important collective bargaining agreements (those covering more than ten employees) showing the duration of each such contract, its expiration date, the number of employees covered by the agreement and the annual escalators for FY 12, 13, 14 and 15 (if applicable). What are the implications of those agreements for salaries of the Town's non-unionized staff? What is the recent trend in the costs of employee benefits, and what changes do you foresee over the next five years? How does the compensation of Town employees compare with that of similar surrounding towns? What changes in compensation levels do you foresee over the next five years?
- (6) What is the Town's plan in FY14 and projected through to FY18 to meet its annual required contribution to funding of retirees' other post-employment benefits? How much do you expect to pay during those years to fund the Town's unfunded pension liabilities?
- (7) Please provide an overview for us of how the Town Manager measures and assesses the performance of the various Town departments and functions, in terms

of citizen satisfaction, in terms of cost-effectiveness or value delivered for tax dollars assessed, and in terms of targets established for them? What resources are needed to remedy any perceived shortfalls in performance?

We have scheduled Thursday, October 4, for our initial meeting and Thursday, November 1, for a more detailed follow-up meeting. We would appreciate receiving as much information as possible from you electronically by September 28, 2012 for distribution to and review by the Committee members in advance of our meeting.

We look forward to interesting and constructive conversations.